

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Special Services Fees and Classifications

Docket No. MC96-3

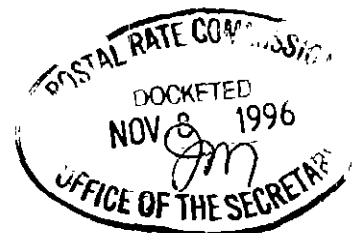
ANSWERS OF THE OFFICE OF THE CONSUMER ADVOCATE
TO INTERROGATORIES OF UNITED STATES POSTAL SERVICE
WITNESS: SHERYDA C. COLLINS (USPS/OCA-T400-30-34 AND 36)
(NOVEMBER 8, 1996)

The Office of the Consumer Advocate hereby submits the answers of Sheryda C. Collins to interrogatories USPS/OCA-T400-30-34 and 36, dated October 25, 1996. An objection to interrogatories USPS/OCA-T400-35, 37, and 38 was filed on November 4, 1996. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

Shelley S. Dreifuss
SHELLEY S. DREIFUSS

Attorney
Office of the Consumer Advocate



ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-30-34 AND 36

USPS/OCA-T400-30. Please refer to your testimony at page 20 lines 4-5. In reference to the return receipt proposal, you state that you "recommend that the proposed classification change be adopted but without a fee increase."

- a. Please confirm that you support the classification changes proposed by the Postal Service in Classification Schedule SS-16, including section 16.0211. If you cannot confirm, please explain.
- b. Please confirm that section 16.0211 applies to
 - i. return receipt service purchased in conjunction with the products in Classification Schedule SS-16 section 16.020(a)-(e).
 - ii. return receipt for merchandise service, as described in Classification Schedule SS-16 section 16.020(f)-(g).
- c. If you are unable to confirm subpart (b)(i) and/or (b)(ii), please explain.

A. a.-c. Confirmed in part. My testimony omits any consideration of merchandise return receipt. Thus, I endorse only the proposed language of the Postal Service found in Classification Schedule SS-16 section 16.0211, Attachment A, page 16, that would apply to section 16.020 (a)-(e). I do not endorse application of the proposed language of section 16.0211 to (f) and (g) of section 16.020. Rather, the language of the current DMCS section 16.0211¹ would continue to apply to return receipt for merchandise service.

¹ Domestic Mail Classification Schedule, Classification Schedule SS-16, RETURN RECEIPTS, section 16.0211, January 3, 1995, p. 88.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
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USPS/OCA-T400-31. Please refer to your response to USPS/OCA-T400-5(b).

- a. Please confirm that witness Foster's Workpaper VIII, page 5, in Docket No. R94-1, shows that certified mail revenue, exclusive of ancillary service revenue, is \$293,220 thousand? If you are unable to confirm, please explain.
- b. Please confirm that the Docket R94-1 after rates revenue for certified mail of \$526,248 thousand, which is cited in your response to 5(b), included ancillary services revenues.
- c. If you are unable to confirm (b) above, please state whether you are capable of analyzing revenues for certified mail in Docket No. R94-1 to determine whether ancillary revenues are present or absent from the \$526,248 thousand figure.
- d. If your response to (c) is that you are not capable of analyzing Docket No. R94-1 revenues for certified mail to detect the presence or absence of ancillary service revenue, please identify the information you claim is lacking in the R94-1 and MC96-3 records to enable you to make such a determination.

A. a. Confirmed.

b. Confirmed, as shown by witness Foster's Workpaper VIII, page 5. However, his testimony at 65 in R94-1 refers to the 172.1-percent cost coverage for certified mail as shown in Exhibit-11F, page 3. Exhibit-11F appears to calculate the 172.1-percent cost coverage from the \$526,248 thousand revenue figure. Please see my testimony at 5-11 and my Exhibit 401 for a more detailed explanation of the confusion that reigns. See also my response to USPS/OCA-T400-25.

c.-d. Not applicable.

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USPS/OCA-T400-32. Please refer to your response to USPS/OCA-T400-8(c). You characterize witness Needham as discussing the value of service of certified mail from the recipient's perspective as being "confined to the high value of this response to the sender." What information, beyond that which witness Needham discussed at page 70 lines 3-15 and page 71 lines 1-2 of USPS-T-8, would you consider in analyzing the value of service to the recipient of certified mail?

A. The fact that delivery of a certified mail piece will capture the recipient's attention does not necessarily indicate the value a recipient will place on receiving the mailpiece. The reality that a recipient must take some kind of action with regard to the delivery of a certified mail piece, (e.g., sign for the mail, decide to reject the mail, or have to make a written request for re-delivery), is likely to affect his/her perception of the value of service of certified mail.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
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USPS/OCA-T400-33. Please refer to your response to USPS/OCA-T400-11(c). You state that recent improvements that have been made to return receipts "are there regardless of whether or not the Postal Service's proposals for return receipt are adopted."

- a. Is it your testimony that historical information about a product should not be considered when evaluating a proposal for a change in a rate or fee for that product under 39 U.S.C. § 3622? Please explain your response.
- b. Is it your testimony that service or operational changes that may detract from or enhance the value of service of that product to customers should not inform an analysis of a proposal to change a rate or fee for that product under 39 U.S.C. §§ 3622? Please explain your response.

A. a.-b. No. It generally is appropriate to consider historical information and service or operational changes when changing rate or fee levels. The "print name" block was added to all accountable mail signature forms, not just return receipt, and this occurred nearly two years ago. While this occurrence may be considered, it doesn't seem to be of a magnitude that would justify a fee increase. It also seems highly unlikely that the Postal Service would remove the "print name" block if its proposal for return receipts fails.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
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USPS/OCA-T400-34. Please refer to your response to
USPS/OCA-T400-1.

- a. The testimony of other OCA witnesses notwithstanding, is your statement at page 3 lines 8-9 that you "oppose this attempt to raise revenues outside an omnibus rate case" intended to convey your opposition to the Postal Service's proposals in this docket on policy grounds alone, or is it intended to convey your opposition to the Postal Service's proposals in this docket on any other grounds? If the latter, then please identify all such other grounds.
- b. Please explain how witness Sherman's testimony is to be characterized, if it is not "purely policy."
- c. Please explain how witness Thompson's testimony is to be characterized, if it is not "purely policy."

A. a. My reasons for opposing the Postal Service's proposed increase in certified mail fees are set forth in my testimony at: page 5, l. 10-11 and page 3, l. 6-7 and 11-14.

b. I understand that witness Sherman's testimony is founded on economic principles.

c. I understand that witness Thompson's testimony addresses fairness and equity issues raised by Postal Service witnesses, especially witness Lyons. She also shows how the Postal Service has abandoned its previously stated classification reform framework in this case.

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USPS/OCA-T400-35. Please refer to your response to USPS/OCA-T400-2. Do you confirm the figures in subparts (a) through (f)? If not, please identify what precludes you from offering a confirmation, as opposed to a factual statement of where these figures are found.

A. Objection filed.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-30-34 AND 36

USPS/OCA-T400-36. Please refer to your response to subpart b of USPS/OCA-T400-3(b).

- a. Please confirm that *revisions* to OCA/USPS-T8-8 were filed only on two separate occasions in this docket.
- b. Please confirm that the sentence in your testimony that begins at page 8 line 15 would be accurate if it were corrected to read as follows:
This interrogatory has been answered once and revised ~~three~~ two times
If you do not confirm, please explain.

- A. a. Confirmed.
- b. Confirmed.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-30-34 AND 36

USPS/OCA-T400-37. Please refer to your response to
USPS/OCA-T400-3(c).

- a. You state that during his appearance at the Commission hearing on September 9, 1996, witness Lyons "gave the first real indication of a fundamental change to the underlying costing." Please confirm that witness Needham explained witness Lyons' statement as follows at Tr. 4/1198:

19 THE WITNESS: I'd like to just state here that
20 what Witness Lyons was referring to was not a major
21 structuring -- a major structural change in the costing
22 of Certified Mail but, rather, in the cost coverage
23 methodology.

- b. If you cannot confirm the response to subpart (a), please explain.

A. Objection filed.

ANSWERS OF OCA WITNESS SHERYDA C. COLLINS
TO INTERROGATORIES USPS/OCA-T400-30-34 AND 36

USPS/OCA-T400-38. Please refer to your response to
USPS/OCA-T400-17.

- a. Is it your testimony that no information was provided on the maximum paid claim for Express Mail document reconstruction before your testimony was filed? If your response is negative, please identify such information, and provide a description of it.
 - b. Is it your testimony that no information was provided on the maximum paid claim for Express Mail document reconstruction after your testimony was filed? If your response is negative, please identify such information, and provide a description of it.
- A. a. Objection filed.

DECLARATION

I, Sheryda C. Collins, declare under penalty of perjury that the answers to interrogatories USPS/OCA-T400-30-34 and 36 of the United States Postal Service are true and correct, to the best of my knowledge, information and belief.

Executed November 8, 1996

Sheryda C. Collins

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.

Shelley S. Dreifuss
SHELLEY S. DREIFUSS
Attorney

Washington, D.C. 20268-0001
November 8, 1996